

Monterey County Economic Forecast

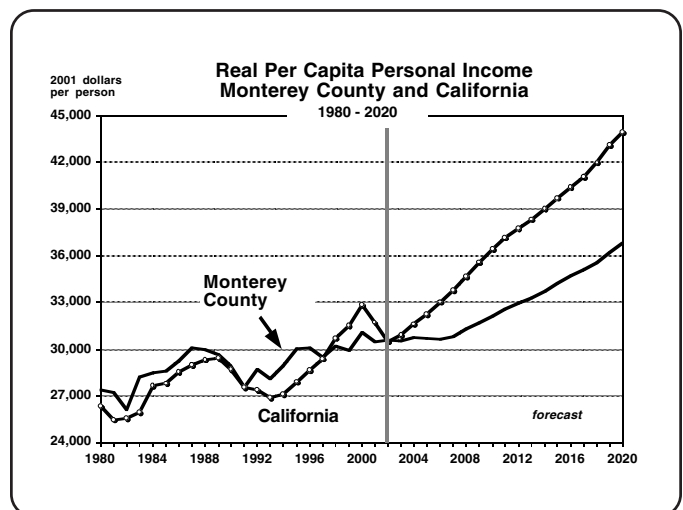
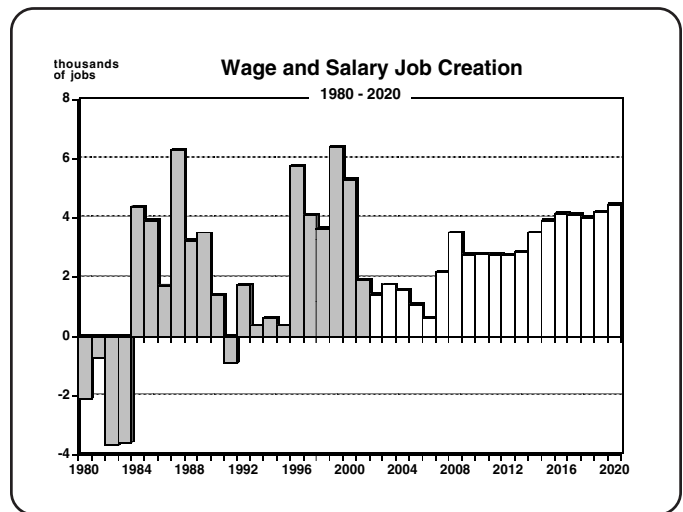
A rich agricultural center, Monterey County is the third-highest agricultural-producing county in California and one of the nation's leading vegetable-producing areas. Although the once vital sardine industry no longer exists in the area, the fishing industry remains significant; it figures importantly in the local economies of Seaside, Sand City, Monterey, and Moss Landing. The county's tourism industry attracts business year-round as Monterey Bay, Big Sur, the Ventana Wilderness, and the Los Padres National Forest offer a variety of recreational and cultural activities. The city of Monterey is also home to the famous Monterey Bay Aquarium and the Monterey Bay Aquarium Research Institute, one of the largest marine research centers in the United States.

The largest city in the county, Salinas, grew in population from 108,800 in 1990 to 151,000 in 2000, an increase of almost 40 percent. Serving as the industrial, commercial, and residential hub of the Salinas Valley, the city of Salinas has become a regional trade center for California's central coast counties.

In 2001, the County created 1,900 jobs, most of them in the farm sector. This year, more farm jobs have been created but the non-farm sector shows not job gain. Services is the largest sector with 24 percent of all wage and salary jobs. The sector is expected to remain the dominant engine of job growth for the next 5 years in the County, adding education and healthcare jobs especially.

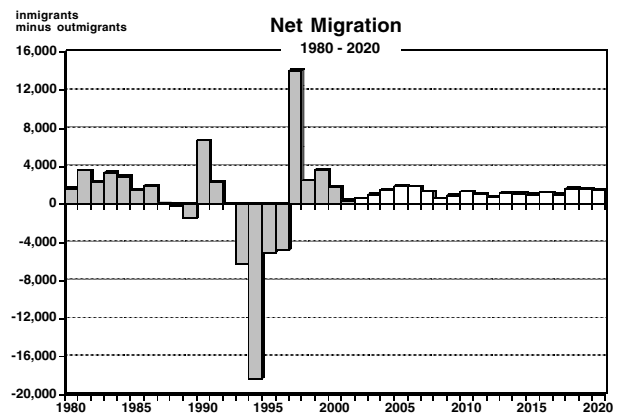
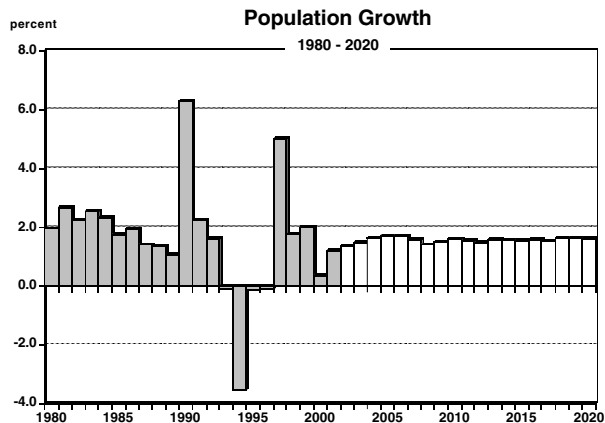
Forecast Highlights

- Job growth averages 1.0 percent per year over the next 5 years. This is a significant deceleration from the average 3.3 percent rate of growth between 1995 and 2000. Slower job creation is forecast for the farm, services, and government sectors. However, retail trade and the construction industry will continue to produce jobs at a faster pace than other sectors.
- The unemployment rate rises to 10.5 percent in 2002, and remains in the 10 to 11 percent range for the next 5 years.
- Population growth slows from an annual average 1.8 percent between 1995 and 2000, to an average 1.6 percent per year over the next 5 years. Population growth is influenced more by the natural increase than by in-



migration, which remains positive but contained by the lack of housing. However, the number of births increases significantly in the County as the 20 to 29 age population increases more than 30 percent over the next 15 years.

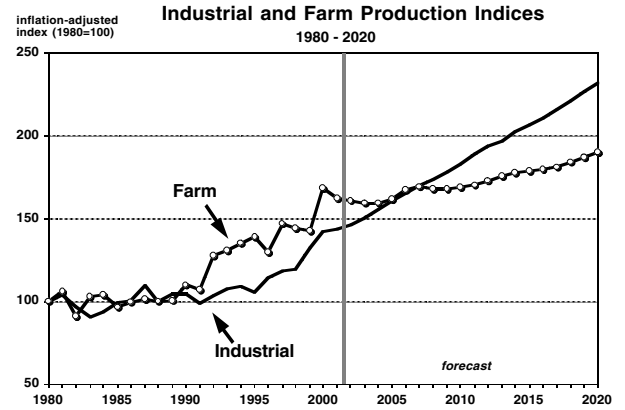
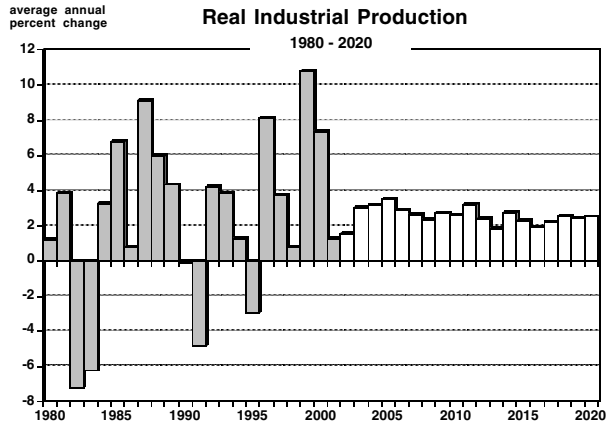
- Real per capita income dropped in 2001. This trend will reverse in 2003 and rise at an annual compound rate of growth of 0.2 percent over the next 5 years. Between 1995 and 2000, real per capita personal income increased an average of 0.7 percent per year.
- Median home values, adjusted for inflation, rise at an annual compound rate of 4.2 percent per year between 2002 and 2007. The median selling price of a home in Monterey County during 2001 was \$426,800.



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1995-2001 History, 2002-2020 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (number)	Households (thousands)	New Homes Permitted (homes)	Retail Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Farm Crop Value (millions)	Industrial Production (billions)
1995	368,700	-5,067	271	112.6	1,323	\$2.2	\$8.8	\$30,039	\$2,028	\$1.5
1996	368,400	-4,797	277	113.5	1,496	\$2.4	\$9.0	\$30,078	\$1,933	\$1.6
1997	386,900	14,045	267	114.7	1,713	\$2.5	\$9.6	\$29,524	\$2,269	\$1.7
1998	393,800	2,462	285	116.3	1,178	\$2.7	\$10.4	\$30,182	\$2,295	\$1.7
1999	401,700	3,532	296	117.5	2,081	\$3.0	\$10.9	\$29,947	\$2,369	\$1.9
2000	403,100	1,847	310	120.9	1,702	\$3.3	\$11.9	\$31,082	\$2,923	\$2.0
2001	408,000	369	322	122.8	1,070	\$3.5	\$12.5	\$30,524	\$2,973	\$2.0
2002	413,491	599	326	124.6	1,034	\$3.7	\$13.2	\$30,634	\$3,074	\$2.1
2003	419,603	1,012	330	126.2	1,020	\$3.9	\$13.9	\$30,571	\$3,153	\$2.1
2004	426,392	1,522	334	127.6	942	\$4.2	\$14.7	\$30,749	\$3,259	\$2.2
2005	433,668	1,881	338	128.7	836	\$4.4	\$15.4	\$30,702	\$3,428	\$2.3
2006	441,023	1,867	342	129.6	739	\$4.7	\$16.2	\$30,671	\$3,671	\$2.3
2007	447,951	1,351	347	130.6	931	\$5.1	\$17.1	\$30,842	\$3,844	\$2.4
2008	454,243	621	353	131.8	1,089	\$5.4	\$18.2	\$31,308	\$3,935	\$2.5
2009	461,022	966	359	132.7	963	\$5.8	\$19.4	\$31,702	\$4,080	\$2.5
2010	468,328	1,343	364	133.5	945	\$6.2	\$20.7	\$32,166	\$4,249	\$2.6
2011	475,535	1,091	370	134.3	930	\$6.7	\$22.1	\$32,587	\$4,443	\$2.7
2012	482,535	761	375	135.0	928	\$7.2	\$23.6	\$32,922	\$4,682	\$2.7
2013	490,081	1,191	381	135.7	950	\$7.8	\$25.2	\$33,290	\$4,956	\$2.8
2014	497,690	1,143	387	136.4	1,053	\$8.3	\$26.8	\$33,707	\$5,199	\$2.9
2015	505,317	1,056	394	137.2	1,116	\$8.9	\$28.7	\$34,221	\$5,432	\$2.9
2016	513,242	1,262	401	138.0	1,162	\$9.6	\$30.8	\$34,721	\$5,675	\$3.0
2017	521,046	1,049	407	138.7	1,172	\$10.3	\$32.9	\$35,134	\$5,955	\$3.0
2018	529,547	1,646	414	139.4	1,179	\$11.0	\$35.2	\$35,610	\$6,285	\$3.1
2019	538,112	1,589	421	140.1	1,229	\$11.8	\$37.8	\$36,206	\$6,636	\$3.2
2020	546,743	1,525	428	140.9	1,291	\$12.6	\$40.5	\$36,787	\$6,994	\$3.3



Total Wage & Salary (000)	Farm (000)	Construction (000)	Mining (000)	Manufacturing (000)	Transportation, Utilities (000)	Wholesale, Retail Trade (000)	Finance, Real Estate (000)	Services (000)	Government (000)
-----employment (jobs)-----									
141	31.9	3.9	0.1	8.8	5.0	29.3	6.4	29.9	25.8
147	33.4	4.2	0.1	9.5	5.3	30.5	6.1	31.2	26.7
151	33.5	4.6	0.1	9.6	5.4	31.0	5.9	32.9	28.1
155	33.5	5.5	0.1	9.4	5.4	31.8	6.1	33.7	29.2
161	35.6	6.1	0.1	9.6	5.2	33.1	6.2	35.5	29.8
166	36.9	6.4	0.1	10.1	5.1	33.6	6.6	37.3	30.4
168	38.6	6.5	0.2	10.5	4.9	33.2	6.7	37.1	30.6
170	39.2	6.7	0.3	10.0	5.0	33.8	6.8	37.1	30.9
171	39.6	6.8	0.3	10.1	5.0	34.5	6.8	37.1	31.1
173	39.6	7.0	0.3	10.2	5.1	35.1	6.9	37.3	31.6
174	38.9	7.2	0.3	10.3	5.1	35.7	7.0	37.5	32.2
175	37.6	7.3	0.3	10.4	5.1	36.4	7.0	37.8	32.8
177	37.5	7.6	0.3	10.5	5.1	37.1	7.0	38.2	33.6
180	38.6	7.9	0.3	10.6	5.1	37.9	7.1	38.6	34.4
183	38.8	8.1	0.3	10.7	5.1	38.7	7.1	39.1	35.3
186	38.8	8.4	0.3	10.8	5.1	39.5	7.2	39.7	36.2
189	38.8	8.7	0.3	10.8	5.1	40.3	7.2	40.4	37.2
192	38.4	9.0	0.3	10.9	5.1	41.1	7.3	41.1	38.3
194	38.0	9.2	0.3	11.0	5.1	42.0	7.3	42.0	39.5
198	38.1	9.5	0.3	11.0	5.1	42.9	7.4	42.9	40.7
202	38.3	9.8	0.3	11.1	5.1	43.8	7.4	44.0	42.0
206	38.6	10.2	0.3	11.2	5.1	44.7	7.5	45.2	43.3
210	38.7	10.5	0.3	11.2	5.1	45.6	7.5	46.5	44.7
214	38.5	10.8	0.3	11.3	5.1	46.5	7.6	47.9	46.2
218	38.2	11.1	0.3	11.4	5.1	47.4	7.6	49.4	47.7
223	38.2	11.4	0.3	11.5	5.1	48.3	7.7	51.0	49.3

